

1.1 **Senator Rest from the Committee on Taxes, to which was re-referred**

1.2 **S.F. No. 2374:** A bill for an act relating to taxation; modifying individual income and
 1.3 corporate franchise taxes, sales and use taxes, excise taxes, gross receipts taxes, local sales
 1.4 and use taxes, property taxes, mining and mineral taxes, local government aids, tax increment
 1.5 financing, and other miscellaneous taxes and tax-related provisions; modifying the political
 1.6 contribution refund; modifying subtractions; modifying credits, assignments, and transfers;
 1.7 modifying and providing for sales and use tax exemptions; modifying and providing for
 1.8 property tax credits and exemptions; modifying property tax classifications; providing for
 1.9 land bank organizations; providing local government aid penalty forgiveness; modifying
 1.10 aids; providing for and modifying special tax increment financing provisions; modifying
 1.11 provisions related to public finance; modifying provisions related to the Tax Expenditure
 1.12 Review Commission; modifying sustainable aviation fuel provisions; increasing debt issue
 1.13 limits; modifying penalties relating to property tax refunds and certificates of rent paid;
 1.14 modifying payments for the Sustainable Forest Incentive Act; modifying gross proceeds
 1.15 and occupation taxes; extending and modifying the uses of certain local sales and use taxes;
 1.16 repealing the tax on illegal cannabis and controlled substances; making various policy and
 1.17 technical changes; requiring reports; providing transfers of money; appropriating money;
 1.18 amending Minnesota Statutes 2024, sections 3.192; 3.8855, subdivisions 2, 3, 4, 5, 7, 8;
 1.19 8.31, subdivision 2c; 10A.02, subdivision 11b; 10A.322, subdivision 4; 14.03, subdivision
 1.20 3; 16A.151, subdivision 2; 37.31, subdivision 1; 41A.30, subdivisions 1, 2, 5, 7; 41B.0391,
 1.21 subdivisions 1, 2, 4, 6; 116U.27, subdivisions 2, 4; 126C.13, subdivision 4; 126C.17, by
 1.22 adding a subdivision; 270B.161; 270C.07; 270C.08; 270C.085; 270C.11, subdivision 4;
 1.23 270C.445, subdivisions 3, 6; 272.01, subdivision 2; 272.02, subdivisions 19, 97, by adding
 1.24 subdivisions; 272.03, subdivision 1; 273.117; 273.12; 273.124, subdivisions 8, 14; 273.128,
 1.25 subdivision 1; 273.13, subdivisions 22, 23, 34; 273.1392; 273.1393; 273.19, subdivision 1;
 1.26 273.38; 273.41; 275.065, subdivision 3; 276.04, subdivision 2; 279.37, subdivision 2;
 1.27 289A.02, subdivision 6; 289A.08, subdivision 7a; 289A.12, subdivision 18, by adding a
 1.28 subdivision; 289A.19, subdivision 2; 289A.20, subdivision 4; 289A.31, subdivision 1;
 1.29 289A.51, subdivisions 1, 3, 4; 289A.60, subdivisions 12, 15; 290.01, subdivision 19;
 1.30 290.0132, subdivisions 11, 26, 34, by adding subdivisions; 290.0133, subdivision 7;
 1.31 290.0134, subdivisions 9, 20; 290.0135; 290.033; 290.05, subdivision 1; 290.06, subdivisions
 1.32 23, 23a, 37; 290.0674, subdivision 1a; 290.0681, subdivisions 3, 4; 290.0686; 290.0693,
 1.33 subdivisions 1, 4, 6, 8; 290.0695, subdivisions 1, 2, 3; 290.091, subdivision 2; 290.095,
 1.34 subdivision 2; 290.20, subdivision 2; 290.92, by adding a subdivision; 290.923, subdivision
 1.35 1; 290A.03, subdivision 3; 290A.19; 290C.07; 295.54, subdivision 2; 295.81, subdivision
 1.36 10; 297A.68, subdivisions 5, 42, by adding a subdivision; 297A.70, by adding a subdivision;
 1.37 297A.71, subdivisions 14, 54; 297A.75, subdivisions 1, 2, 3; 297A.94; 297A.99, subdivisions
 1.38 1, 1a, 3, 3a, 10, by adding subdivisions; 297A.9915, subdivision 1; 297A.9925, subdivisions
 1.39 1, 2; 297A.995, subdivisions 2, 10; 297L.20, subdivision 4; 298.001, subdivision 3a, by
 1.40 adding subdivisions; 298.01, subdivisions 3, 3a, 3b, 4a, 4b, 5, 6; 298.015, subdivision 1;
 1.41 298.016, subdivisions 1, 2, 3, 4, by adding a subdivision; 298.018, subdivisions 1, 1a, by
 1.42 adding subdivisions; 298.17; 299C.76, subdivision 1; 373.40, subdivision 2; 446A.086,
 1.43 subdivisions 1, 2; 449.08; 462C.04, subdivision 2; 469.104; 469.154, subdivision 4; 469.171,
 1.44 subdivisions 1, 4, 6a; 469.1731, subdivision 1; 469.176, subdivision 4n; 469.1812, by adding
 1.45 a subdivision; 469.1813, subdivisions 1, 5, 6, by adding a subdivision; 473.756, by adding
 1.46 a subdivision; 473.757, subdivisions 1, 2, 3, 4, 7, 8, 9, 11, by adding subdivisions; 473.759,
 1.47 subdivision 3; 474A.091, subdivisions 2, 2a; 475.521, subdivision 2; 477A.011, subdivision
 1.48 34, by adding a subdivision; 477A.013, subdivision 1; 477A.03, subdivisions 2a, 2b;
 1.49 477A.23, subdivision 6; 609.902, subdivision 4; 641.23; Laws 1996, chapter 471, article 2,
 1.50 section 29, subdivisions 1, as amended, 4, as amended; Laws 2010, chapter 389, article 7,
 1.51 section 22, as amended; Laws 2013, chapter 143, article 9, section 21; Laws 2014, chapter
 1.52 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1, article 6,
 1.53 section 22; Laws 2023, chapter 1, sections 22; 28; Laws 2023, chapter 64, article 4, section
 1.54 27, by adding a subdivision; article 5, section 25, subdivision 1; proposing coding for new
 1.55 law in Minnesota Statutes, chapters 8; 256B; 273; 295; 297A; 477A; repealing Minnesota
 1.56 Statutes 2024, sections 13.4967, subdivisions 2a, 5; 275.065, subdivision 3c; 276.04,
 1.57 subdivision 2a; 290.0679; 297D.01; 297D.02; 297D.03; 297D.04; 297D.05; 297D.06;

- 2.1 297D.07; 297D.08; 297D.085; 297D.09; 297D.10; 297D.11; 297D.12; 297D.13; 477A.30,
2.2 subdivision 8; 477A.32; Laws 2023, chapter 64, article 15, section 24.
- 2.3 Reports the same back with the recommendation that the bill be amended as follows:
- 2.4 Page 10, delete section 7
- 2.5 Page 42, line 20, before "Property" insert "(a)"
- 2.6 Page 42, after line 28, insert:
- 2.7 "(b) Property that qualifies for exemption under this subdivision is limited to no more
2.8 than five parcels."
- 2.9 Page 65, lines 25 and 26, delete "clean water" and insert "general"
- 2.10 Page 80, line 19, after the period, insert "The repayment must be paid to the county
2.11 treasurer and the county auditor shall distribute the repayment in the same proportion to the
2.12 political subdivisions which granted the abatement."
- 2.13 Page 81, line 23, delete "10.896" and insert "16.406" and reinstate "~~Two~~"
- 2.14 Page 81, line 24, reinstate everything before "2022" and reinstate everything after
2.15 "~~thereafter~~" and before the comma insert "2029"
- 2.16 Page 81, line 25, after "84.5" insert "15.479" and reinstate "~~percent~~"
- 2.17 Page 81, line 26, reinstate everything after the third comma
- 2.18 Page 98, line 8, delete "\$624,398,012" and insert "\$634,398,012"
- 2.19 Page 98, line 18, delete "\$142,346,540" and insert "\$146,771,796"
- 2.20 Page 98, line 28, delete "\$179,321,904" and insert "\$184,896,648"
- 2.21 Page 99, line 7, delete "\$14,430,000" and insert "\$14,251,000"
- 2.22 Page 102, delete section 12
- 2.23 Page 113, line 27, delete "and notwithstanding the requirements of paragraph (c)"
- 2.24 Page 113, delete lines 32 to 34
- 2.25 Page 114, line 1, delete "(d)" and insert "(c)"
- 2.26 Page 194, line 29, delete the new language
- 2.27 Page 195, line 1, delete the new language
- 2.28 Page 195, line 3, delete "(4)" and insert "(3)"
- 2.29 Page 195, line 5, delete "(5)" and insert "(4)"

3.1 Page 195, line 10, delete everything after "who" and insert a colon

3.2 Page 195, line 11, before "benefits" and insert "(1) receives social security disability
3.3 insurance" and delete the period and insert a semicolon

3.4 Page 195, after line 11, insert:

3.5 "(2) is under the age of 65 and receives supplemental security income benefits under
3.6 United States Code, title 42, sections 1381 to 1385; or

3.7 (3) receives home and community-based disability waiver services under section
3.8 256B.092 or 256B.49."

3.9 Page 195, delete lines 26 to 30 and insert:

3.10 "(b) Eligibility for a rebate under this section is limited to eligible individuals who either:

3.11 (1) meet the income limitation for an eligible individual specified in paragraph (c); or

3.12 (2) are a person with a disability.

3.13 (c) The income limitation for an eligible individual under paragraph (b), clause (1), must
3.14 not exceed:

3.15 (1) \$78,000 in the case of a married eligible individual who filed a joint return;

3.16 (2) \$62,000 for an individual who filed a return as a head of household; or

3.17 (3) \$41,000 for all other individuals."

3.18 Page 196, line 1, strike "(c)" and insert "(d)"

3.19 Page 196, line 2, strike "(b)" and insert "(c)"

3.20 Page 196, line 25, delete the first "applicants" and insert "individuals"

3.21 Page 196, line 28, delete "suitably" and insert "suitable"

3.22 Page 210, delete section 44 and insert:

3.23 "Sec. 44. APPROPRIATION CANCELLATION; ELECTRIC-ASSISTED BICYCLE
3.24 REBATE PROGRAM.

3.25 On June 30, 2026, any unencumbered and unexpended amount of the fiscal year 2024
3.26 appropriation in Minnesota Statutes, section 289A.51, subdivision 8, is canceled.

3.27 EFFECTIVE DATE. This section is effective the day following final enactment."

3.28 Page 211, delete section 45

4.1 Page 214, delete section 49

4.2 Renumber the sections in sequence

4.3 Amend the title as follows:


4.4 Page 1, line 7, after the first comma, insert "rebates,"

4.5 Amend the title numbers accordingly

4.6 And when so amended the bill do pass. Amendments adopted. Report adopted.

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(Committee Chair)

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May 13, 2025.....
(Date of Committee recommendation)